

HOUSE BILL No. 1190

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10.3-3-8; IC 36-8-8.

Synopsis: Deductions from 1977 fund benefits. Permits the public employees' retirement fund (PERF) board to make deductions for certain purposes from a disability, retirement, or survivor benefit paid by the 1977 police officers' and firefighters' pension and disability fund if the deduction is authorized by the person receiving the benefit.

Effective: July 1, 2002.

Sturtz

January 10, 2002, read first time and referred to Committee on Ways and Means.

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Introduced

Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

HOUSE BILL No. 1190

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 5-10.3-3-8, AS AMENDED BY P.L.119-2000,
- 2 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2002]: Sec. 8. (a) The board may do any of the following:
- 4 (1) Establish and amend rules and regulations:
- 5 (A) for the administration and regulation of the fund and the
- 6 board's affairs; and
- 7 (B) to effectuate the powers and purposes of the board;
- 8 without adopting a rule under IC 4-22-2.
- 9 (2) Make contracts and sue and be sued as the board of trustees of
- 10 the public employees' retirement fund of Indiana.
- 11 (3) Delegate duties to its employees.
- 12 (4) Enter into agreements with one (1) or more insurance
- 13 companies to provide life, hospitalization, surgical, medical, or
- 14 supplemental Medicare insurance, utilizing individual or group
- 15 insurance policies for retired members of the fund, and, upon
- 16 authorization of the respective member, deduct premium
- 17 payments for such policies from the members' retirement benefits

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and remit the payments to the insurance companies.

(5) Enter into agreements with one (1) or more insurance companies to provide annuities for retired members of the fund, and, upon a member's authorization, transfer the amount credited to the member in the annuity savings account to the insurance companies.

(6) For the 1977 police officers' and firefighters' pension and disability fund, deduct from benefits paid and remit to the appropriate entities amounts authorized by IC 36-8-8-17.2.

(7) Whenever the fund's membership is sufficiently large for actuarial valuation, establish an employer's contribution rate for all employers, including employers with special benefit provisions for certain employees.

~~(7)~~ (8) Amortize prior service liability over a period of forty (40) years or less.

~~(8)~~ (9) Recover payments made under false or fraudulent representation.

~~(9)~~ (10) Exercise all powers necessary, convenient, or appropriate to carry out and effectuate its public and corporate purposes and to conduct its business.

(b) An agreement under subsection (a)(4) may be for a duration of three (3) years.

(c) A contract under subsection (a)(2) may be for a term of not more than five (5) years, with an ability to renew thereafter.

(d) The board's powers and the fund's powers specified in this chapter shall be interpreted broadly to effectuate the purposes of this chapter and may not be construed as a limitation of powers.

SECTION 2. IC 36-8-8-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 17. (a) The benefits of this chapter are exempt from attachment and garnishment and may not be seized, taken, or levied upon by any execution or process.

(b) Except as provided in subsection (c) **and by section 17.2 of this chapter**, a person receiving a benefit under this chapter may not transfer, assign, or sell the benefit.

(c) Notwithstanding any other provision of this chapter, to the extent required by Internal Revenue Code Section 401(a)(31), as added by the Unemployment Compensation Amendments of 1992 (P.L.102-318), and any amendments and regulations related to Section 401(a)(31), the 1977 fund shall allow participants and qualified beneficiaries to elect a direct rollover of eligible distributions to another eligible retirement plan.

SECTION 3. IC 36-8-8-17.2 IS ADDED TO THE INDIANA CODE



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1 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
2 1, 2002]: Sec. 17.2. (a) Notwithstanding any other provision of this
3 chapter, a person receiving a disability, retirement, or survivor
4 monthly benefit under this chapter may authorize the PERF board
5 to make a deduction from the benefit.

6 (b) An authorization for a deduction from a disability,
7 retirement, or survivor monthly benefit paid under this chapter is
8 valid only if all of the following requirements are met:

9 (1) The authorization is:

10 (A) in writing;

11 (B) signed personally by the person receiving the benefit;

12 (C) revocable at any time by the person receiving the
13 benefit upon written notice to the PERF board; and

14 (D) agreed to in writing by the PERF board.

15 (2) An executed copy of the authorization is delivered to the
16 PERF board within ten (10) days after its execution.

17 (3) The deduction is made for a purpose described in
18 subsection (c).

19 (c) A deduction under this section may be made for the purpose
20 of paying any of the following:

21 (1) A premium on a policy of insurance for medical, surgical,
22 hospitalization, dental, vision, long term care, or supplemental
23 Medicare insurance offered to retired fund members by the
24 fund member's former employer, the state, or the PERF
25 board.

26 (2) A pledge or contribution to a charitable or nonprofit
27 organization.

28 (3) Dues payable by the person receiving the benefit to a labor
29 organization of which the person is a member.

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